

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3472 - SB 3264

February 13, 2012

SUMMARY OF BILL: Defines “Pro-Am event” relative to the Tennessee Athletic Commission (TAC). Reduces, from nine to five, the number of members on TAC. Directs that as the number of members decreases, a quorum shall be a majority of the members remaining on the Commission. Specifies that TAC shall remain a nine-member Commission until the expiration of the terms of the first four members. Directs that upon the expiration of the terms of the remaining five members, one public member, one member with boxing experience, and one member with mixed martial arts experience shall be appointed by the Governor. Directs that one member with boxing experience shall be appointed by the Speaker of the House of Representatives. Directs that one member with mixed martial arts experience be appointed by the Speaker of the Senate. Requires each commissioner to attend at least three events or contests annually. Authorizes a commissioner to attend a meeting remotely by electronic means no more than twice annually unless an emergency situation arises. Authorizes, rather than requires, compensation for each commissioner of \$150 per meeting day. Requires TAC to be the sole regulatory authority for Pro-Am events. Subjects a Pro-Am event to the state gross receipts tax from admission fees and broadcast fees if the event is broadcast or televised.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$9,100

Decrease State Expenditures - \$4,000

Assumptions:

- According to the Department of Commerce and Insurance and TAC, the average annual total travel expense reimbursement to the eliminated Commission positions will result in a recurring decrease in state expenditures of approximately \$1,000.
- According to TAC, the Commission holds four meetings per year. Commissioners are paid \$150 per meeting. Therefore, the recurring decrease in expenditures for the per diems of the eliminated positions is \$3,000 (\$150 per meeting x 4 meetings x 5 members).
- TAC anticipates two televised amateur shows at a minimum gate revenue of \$500 each for a recurring increase in state revenue of \$1,000 (\$500 gate x 2 shows).
- According to TAC, the network television the show pays a fee equaling three percent of their revenue. The average earnings from a televised event are \$10,000. Therefore, the recurring increase in state revenue is \$600 (\$10,000 x 3% x 2 shows).

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- According to TAC, the licensing fee is \$75 every two years. TAC anticipates licensing 100 individuals annually. Therefore, the recurring increase in state revenue is \$7,500 (\$75 fee x 100 individuals).
- The recurring increase in state revenue is \$9,100 (\$1,000 gate revenue + \$600 televising fee + \$7,500 licensing fee).
- The recurring decrease in state expenditures is \$4,000 (\$1,000 travel + \$3,000 per diem).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/sbh